

TEACHERS' RETIREMENT BOARD
BUDGETS AND AUDITS COMMITTEE

SUBJECT: School District Final Reports
And Compliance Final Reports

ITEM NUMBER: 8

ATTACHMENT(S): 1

ACTION: _____

DATE OF MEETING: April 5, 2001

INFORMATION: X

PRESENTER(S): Way Lee

During the period January 1, 2001 through March 20, 2001, the School District Audit Unit did not issue a final report and the Compliance Unit completed 2 cases. One case has a finding and requires an adjustment. The executive summary of this case is attached.

Post-Retirement Earnings: San Joaquin Community College District did not report post retirement earnings for a retired CalSTRS member who worked for the District under a third party agreement. The responsibilities set forth in the agreement between the District and the third party fell within the definition of creditable service set forth in Education Code section 22119.5. In addition, the compensation earned for this service was reported as creditable service before and after the retired member's service. The member appealed our finding to CalSTRS Executive Review process. As a result of Executive Review, CalSTRS management sided with the Office of Audits in determining his service to be creditable.

Office of Audits
Executive Summary for the Budgets and Audits Committee
Findings and Adjustments Needed For Compliance Cases

Period of Compliance Case Review: January 1 – March 20, 2001

Number of Compliance Cases Included in this Cost Benefits Summary: 1

Compliance Case Cost-Benefit Summary:

<u>Benefit:</u>		<u>Cost:</u>	
Correction to contributions	\$ 0	Direct costs (staff salaries, fringe benefits)	Approx. \$ 6,000
Retirement Allowance	\$ 0		
Excess post-retirement earnings	\$ 140,226		
 TOTAL DOLLAR EFFECT	 \$ 140,226	 Benefit per dollar spent	 Approx. \$ 36.06

Finding:

Post-Retirement Earnings: San Joaquin Community College District did not report post retirement earnings for a retired CalSTRS member who worked for the District under a third party agreement. The member earned \$140,226 in excess of the CalSTRS post-retirement earnings limitation from July 1996 through January 1998. The member has 90 days to appeal from the date of the Executive Review determination of February 16, 2001.